GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3789
ANSWERED ON:19.03.2015
CAPACITY OF POWER PROJECTS
Kumar Dr. Virendra

Will the Minister of POWER be pleased to state:

(a) whether the Government has decided to give the status of mega power plants to the power plants having capacity of more than 1000 megawatt;

(b) if so, the details thereof along with the benefits power plants are likely to get from this;

(c) whether small power plants are proposed to be given financial incentives; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (d) : The Mega Power Policy was introduced in November, 1995 for providing impetus to development of large size power projects in the country and deriving benefit from economies of scale and quick capacity addition. Under Mega policy, fiscal benefits in the form of zero customs duty for import of capital equipment, deemed export benefits and income tax waiver are extended to the certified Mega power projects.

As per the Government of India guidelines dated 14.12.2009, the power projects with the following threshold capacity shall be eligible for the benefit of mega power policy:

(i) A thermal plant of capacity 1000 MW or more; or
(ii) A thermal plant of capacity of 700 MW or more located in States of Jammu & Kashmir (J&K), Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura; or
(iii) A hydel power plant of capacity of 500 MW or more; or
(iv) A hydel power plant of a capacity of 350 MW or more, located in the States of J&K, Sikkim, Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura.

Subsequently, in order to compensate the disadvantages suffered by the domestic power equipment manufacturing industry on account of higher interest rates, local taxes and infrastructural inadequacies, create a level playing field to the domestic power equipment manufacturing industry vis-Ã -vis foreign vendors and promote self-sufficiency in this vital sector, Govt. of India vide decision dated 19.07.2012 discontinued the mega power policy for new projects. However, the projects certified as Mega Power Projects and having provisional mega status before 19.07.2012 will continue to get mega benefits.